

مصرف أبوظبي الإسلامي

ADIB



ADIB SUSTAINABLE FINANCE

ALLOCATION & IMPACT REPORT



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INTRODUCTION

At Abu Dhabi Islamic Bank, we recognize that sustainable finance is a strategic necessity that aligns with our core Islamic values and our collective responsibility toward future generations. Over the past year, we have solidified our role as a pioneer in Islamic sustainable finance, making strategic advances in financing projects that accelerate the transition to a low-carbon economy.

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A defining milestone in our journey was the successful issuance of ADIB's inaugural USD 500 million Green Sukuk, which set a benchmark for sustainability-driven Islamic finance in the region. The proceeds from this issuance have already been channeled into impactful projects that reduce carbon emissions, promote energy efficiency, and enhance water conservation, supporting both the UAE's Net Zero 2050 vision and global sustainability goals.

As a signatory to the UNEP FI Principles for Responsible Banking, ADIB is committed to integrating ESG considerations into every facet of our banking operations. Our recently launched Net Zero strategy marks a crucial step forward in this journey.

We have baselined our financed emissions and set clear reduction targets for high-emitting sectors, ensuring that our financial decisions contribute to meaningful climate action. This effort aligns us with the UAE Bank Federation's AED 1 trillion sustainable finance mobilization target by 2030, reinforcing ADIB's position as a catalyst for responsible investment and decarbonization.

Beyond environmental impact, our commitment extends to creating positive social and economic outcomes. The projects financed through our green sukuk not only drive environmental

sustainability but also foster job creation, enhance resource efficiency, and improve community resilience. Through transparent reporting, robust ESG due diligence, and third-party verification, we ensure that every dirham invested generates measurable and lasting value.

Looking ahead, we remain steadfast in expanding our sustainable finance offerings, embedding ESG principles deeper into our governance framework, and actively engaging with our stakeholders to drive systemic change. With sustainability at the heart of our business strategy, ADIB is well-positioned to shape the future of Islamic finance—where ethics, innovation, and sustainability converge for the benefit of people and the planet.

We extend our deepest appreciation to our investors, partners, and stakeholders for their unwavering support. Together, we will continue to drive impact, accelerate the net-zero transition, and pave the way for a resilient and sustainable future.

Although the Green Sukuk was issued in November 2023 with an initial plan to report based on November 2024 financials, ADIB has realigned the reporting timeline to conclude at the end of December 2024. This adjustment reflects internal alignment with ADIB's financial year-end and supports consistency across disclosure cycles.



ADIB'S GREEN SUKUK: ADVANCING SUSTAINABLE FINANCE FOR A NET-ZERO FUTURE



ADIB Sustainable Finance - Allocation & Impact Report

ADIB has long recognized the transformative power of **sustainable finance** as a driver of environmental resilience, social progress, and responsible economic growth. As a leading Islamic financial institution, we remain committed to leveraging Sharia-compliant financing solutions to advance the global transition toward a low-carbon and inclusive economy.

A pivotal milestone in this journey was the successful issuance of our **USD 500 million Green Sukuk on November 15, 2023**. This issuance underscores ADIB's leadership in **Islamic sustainable finance**, marking a significant step in our alignment with the **UAE Net Zero 2050**

Strategy, the **UN Sustainable Development Goals (SDGs)**, and the **Paris Agreement's climate objectives**.

Our green sukuk is structured to **finance and refinance** a diverse portfolio of projects spanning **renewable energy, energy efficiency, sustainable water and wastewater management**. These projects not only contribute to mitigating climate risks but also enhance socio-economic well-being, foster employment opportunities, and drive long-term economic resilience.

This **Green Sukuk Allocation and Impact Report** is designed to ensure full **transparency, accountability, and measurable impact** in line with the **ICMA Green Bond Principles** and international best practices. Through this report, we aim to:



Demonstrate adherence to ICMA's core components: Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting—ensuring best-in-class governance and allocation mechanisms.



Showcase the environmental, social, and economic benefits of the projects financed through the green sukuk proceeds, including carbon emissions reductions, water conservation, energy efficiency improvements, and community well-being.



Reinforce our leadership in Islamic sustainable finance by integrating ESG factors into decision-making, enhancing ESG risk management, and supporting the UAE's AED 1 trillion sustainable finance mobilization target by 2030.

As we continue on our **sustainable finance journey**, we remain dedicated to expanding our **green and social finance** portfolio, engaging with stakeholders, and driving tangible impact through every transaction. This report reaffirms our **commitment to responsible banking**, ensuring that ADIB's financial resources are used to accelerate a more sustainable, inclusive, and climate-resilient future.

ADIB'S ESG STRATEGY FRAMEWORK:

A HOLISTIC APPROACH TO SUSTAINABILITY

ADIB's ESG Strategy Framework is designed to integrate sustainability into every facet of its operations, driving long-term value creation for stakeholders while aligning with the UAE's Net Zero 2050 vision and the UN Sustainable Development Goals (SDGs). The framework is built on three key pillars:



MAINTAIN HIGH STANDARDS OF GOVERNANCE

- Integrate ESG into our governance structure
- Develop ESG procurement strategy
- Cultivate ESG driven culture through trainings and Key Performance Indicators
- Attain best-in-class data privacy and cybersecurity
- Report on ESG as per market and legal requirements
- Embed ESG risk framework



MAXIMISE POSITIVE IMPACT

- Issue Shari'a compliant sustainable and green finance products
- Develop a Net Zero strategy including finance emissions
- Integrate ESG considerations and due diligence in investment & finance decisions
- Build internal capabilities and financial solutions to support customers' transition to low carbon economy
- Integrated climate considerations into our risk management processes to ensure resilience of our business



BE A LIFELONG PARTNER

- Develop financial inclusion policy and programs
- Establish financial literacy programs for retail and SMEs customers
- Develop a gender diversity strategy
- Develop Employee wellbeing plan
- Become an increasingly learning-oriented organisation
- Implement Emiratization strategy
- Drive social responsibility via community engagements and volunteerism

This framework reflects ADIB's commitment to embedding sustainability into its core operations, ensuring robust governance, measurable impact, and active partnership with stakeholders in building a sustainable future.



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OUR COMMITMENT TO REDUCING CARBON EMISSIONS

At ADIB, we are dedicated to reducing our carbon emissions, aligning with the UAE's Net Zero 2050 strategic initiative and global climate objectives outlined in the Paris Agreement. Our net-zero journey is underpinned by a clear roadmap with defined interim targets and actionable steps to reduce our carbon footprint while supporting decarbonization of the wider economy.

Key Commitments and Interim Targets

1. Phase Out Financing for High-Carbon Projects

- Gradually reduce exposure to carbon-intensive sectors by aligning our financing activities with climate risk mitigation principles.
- Redirect capital toward low-carbon and green infrastructure projects, ensuring our portfolio supports sustainable development.

2. Invest in Renewable Energy and Energy-Efficient Technologies

- Prioritize financing for renewable energy projects, such as solar, wind, and other clean energy solutions.
- Support the development of energy-efficient buildings, sustainable transportation, and industrial retrofitting to promote energy conservation.

3. Support Clients' and Stakeholders' Sustainability Transitions

- Offer tailored green financial products and advisory services to assist clients in adopting sustainable practices.
- Partner with stakeholders to promote ESG innovation and foster resilience in industries transitioning to a low-carbon economy.



SECTOR AND ASSET CLASSES DEEP-DIVES

Sector	Sub-sector	Scope *	Scenario **	Baseline (2022)	Target metric	2030 Target Reduction
Real Estate	Home finance	Scope 1 & 2	IEA NZE scenario, APS	57.6	Kg CO2e/ m2	39%
Transportation	Auto Finance	Scope 1 & 2	IEA NZE scenario, APS	180.7	g CO2e / passenger.km	19%
Real Estate	Real estate activities (developers)	Scope 1, 2 & 3	IEA NZE scenario, APS	57.62	kgCO2e/m2	41%
Transportation	Air transport	Scope 1, 2 & 3	IEA NZE scenario, APS	107	g CO2e / passenger.km	28%
Utilities	Electricity, gas, steam and airconditioning supply	Scope 1, 2 & 3	IEA NZE scenario, APS	0.538	tCO2e/ MWH	37%
Manufacturing	Petroleum manufacturing	Scope 1, 2 & 3	IEA NZE scenario, APS	0.0122	tCO2/GJ	18%

* Estimated data (100%)

** Aligned with ADIB's business growth assumptions and UAE Announced Pledges (APS)

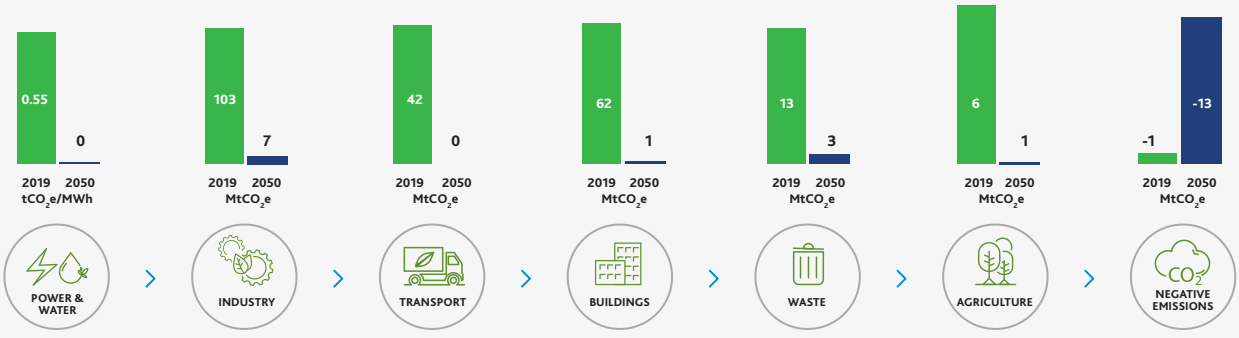
Net Zero Strategy Highlights

ADIB's Net Zero Strategy is built upon three pillars:

- Operational Decarbonization: Reducing emissions from our own operations by implementing energy efficiency measures, green building initiatives, and renewable energy use.
- Financed Emissions Reduction: Collaborating with clients and portfolio companies to decarbonize financed activities.
- Climate Resilience: Embedding climate risk considerations into our risk management processes to ensure long-term business sustainability.

Through our decarbonization commitment, ADIB is not only reducing its own emissions but also **empowering its clients, communities, and stakeholders to transition toward a sustainable future**, cementing our leadership in Islamic sustainable finance.

UAE NET ZERO 2050 STRATEGY - TARGETS PER SECTOR



ESG GOVERNANCE

ADIB's **ESG Governance Framework** is designed to integrate sustainability into every level of decision-making and operations, ensuring alignment with **national and international visions and guidelines**, including the **UAE Net Zero 2050 Strategy** and the **UN Sustainable Development Goals (SDGs)**. This robust framework ensures accountability, transparency, and engagement across all organizational levels to drive long-term sustainability outcomes.

Key Elements of the ESG Governance Framework

1. Board Oversight

- The Board of Directors holds ultimate accountability for ESG strategy and performance through an dedicated ESG committee and other relevant committees.
- Provides strategic direction and ensures alignment with ADIB's corporate goals and global sustainability standards.

2. ESG Board Committee

- Oversees the development and implementation of the ESG roadmap.
- Ensures compliance with disclosure standards and regulatory requirements.



3. Board and Management ESG Committees

- Responsible for executing the ESG strategy and integrating it into business operations.
- Facilitates cross-functional collaboration to address sustainability challenges and opportunities.

4. ESG Department

- Acts as the operational hub for ESG initiatives, monitoring performance, and ensuring adherence to the ESG roadmap.
- Manages engagement with stakeholders and coordinates ESG reporting and transparency efforts.

5. ESG Champions Embedded in Divisions and Departments

- Dedicated ESG representatives within various divisions drive the implementation of ESG initiatives at an operational level.
- Promote awareness, capacity-building, and integration of ESG considerations across all business units.

6. ESG Policies and Strategy Alignment

- ESG policies are embedded within ADIB's broader corporate strategy, ensuring cohesive and comprehensive sustainability efforts.
- The ESG Strategy and Roadmap guide decision-making, ensuring ADIB's alignment with global and national sustainability objectives.



SUSTAINABLE FINANCE FRAMEWORK

a. A Comprehensive Sustainable Finance Framework with Independent SPO Validation

The ADIB Sustainable Finance Framework establishes the guiding principles for the use of proceeds, project evaluation, management of proceeds, and reporting. This framework reflects ADIB's commitment to sustainable development by aligning with globally recognized standards, such as the ICMA Green Bond Principles, and supporting the UAE's Net Zero 2050 vision.

To validate the integrity and robustness of the framework, ADIB obtained an independent Second Party Opinion (SPO) from ISS ESG. The SPO confirmed that the framework aligns with ICMA Green Bond Principles, ensuring that it meets high standards of transparency, accountability, and sustainability in financing decisions.

b. Green Sukuk Use of Proceeds Component

1. Use of Proceeds Categories

Proceeds from ADIB's green sukuk are allocated exclusively to projects that fall within the following six eligible categories, ensuring alignment with ADIB Sustainable Finance Framework and the ICMA's Green Bond Principles

- **Renewable Energy:** Financing solar farms, wind energy projects, geothermal plants, and other clean energy solutions.
- **Energy Efficiency:** Retrofitting buildings, optimizing industrial processes, and supporting sustainable transportation.
- **Sustainable Water and Wastewater Management:** Desalination plants, water recycling, and conservation initiatives.
- **Green Buildings:** Construction or retrofitting of green-certified (e.g., LEED) infrastructure.
- **Pollution Prevention and Control:** Investments in waste recycling facilities and technologies to reduce pollution.
- **Clean Transportation:** Financing electric, hybrid, public, rail, non-motorised, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions.





ADIB conducts rigorous ESG due diligence to ensure that all projects financed through the green sukuk align with the eligibility criteria outlined in the Sustainable Finance Framework. The ESG due diligence process includes:

- **Eligibility Assessment:** Projects are screened for alignment with sustainability objectives.
- **Risk Evaluation:** Environmental and social risks are assessed to ensure compliance with local and international regulations.
- **Ongoing Monitoring:** Performance metrics and alignment with the framework are reviewed periodically.

The ESG assessments support ADIB's executive level ESG Management Committee in allocating proceeds to eligible asset categories.

2. Management of Proceeds

ADIB ensures that proceeds from its green sukuk are allocated exclusively to eligible green projects, adhering to ICMA guidelines. Key aspects of the management process include:

- **Transparency:** All proceeds are tracked through a dedicated Sustainable Finance Register, ensuring full traceability and accountability.
- **Refinancing Lookback Period:** For refinancing existing projects, ADIB adheres to a three-year lookback period, ensuring previously financed projects comply with eligibility criteria.
- **Temporary Placement of Unallocated Proceeds:** Any unallocated proceeds are temporarily invested in short-term Shari'a-compliant instruments in accordance with ADIB's liquidity management guidelines.
- **Regular Review:** On a semi-annual basis, ADIB's ESG Board Committee, supported by the ESG team, reviews the Sustainable Finance Register to:
 - o Verify that all assets meet the eligibility criteria.
 - o Remove assets that no longer comply with the framework and adjust the register to match outstanding issuances.

3. Reporting

Allocation Reports:

ADIB publishes comprehensive allocation reports that detail how proceeds are distributed, ensuring full transparency and adherence to best practices. The reports include:

- **Eligible Project Categories:** A detailed list of project categories to which proceeds are allocated, along with expected environmental and social impacts.
- **Unallocated/Unutilized Amounts:** Information on unallocated proceeds, including temporary placement or investment details.
- **Financed vs. Refinanced Assets:** A breakdown of proceeds allocated to newly financed projects versus refinanced eligible assets.
- **Look-Back Period:** Disclosures on the lookback period applied to refinanced assets, ensuring compliance with the framework.

Impact Reports:

Impact reports provide insights into the **environmental, social, and economic benefits** of projects financed by the green sukuk. Key metrics include:

- Greenhouse gas (GHG) emissions avoided.
- Renewable energy capacity added.
- Water resources conserved.
- Waste diverted from landfills.

To ensure credibility and transparency, ADIB engages **independent third-party assurance providers** to validate the accuracy of allocation and impact reports.

4. Exclusion Criteria

Proceeds cannot be used for:

Conventional financial activities or services,

- Alcohol (brewers, distillers & vintners, packagers, transporters, sellers and resellers).
- Tobacco.
- Pork-related products (food products, food retailers & wholesalers, hotels, restaurants & bars).
- Weapons and defence (defence industries, manufacturers of weapons, contractors, suppliers of offensive components and systems).
- Casinos/gambling, and adult entertainment.

For avoidance of doubt, financing toward the following sectors are excluded under this Framework:

- Coal or gas fired power generation and distribution assets.
- Coal mining and transportation.
- Fossil-fuel related exploration and distribution / transportation.
- Fracking and unconventional oil and gas - shale oil and gas or coal bed methane, due to concerns about the environmental and health impacts of these extraction methods.
- Tar sand extractions
- Deep sea drilling.
- GMOs.
- Genetic cloning
- Deforestation
- Palm Oil
- Any activity prohibited by Islamic Shari'a.



GREEN SUKUK OVERVIEW

ADIB's inaugural **Green Sukuk issuance** represents a landmark achievement in the Islamic finance industry, setting a new benchmark for sustainability-driven Sharia-compliant financing. Launched on **November 15, 2023**, this USD 500 million issuance highlights ADIB's leadership in aligning Islamic financial principles with global sustainability goals.



The sukuk is structured under the **ICMA Green Bond Principles** and a robust **Sharia compliance framework**, ensuring its alignment with both ethical finance standards and environmental objectives. Key features include:

- **Transparency:** A well-defined set of eligibility criteria for projects ensures that proceeds are allocated to initiatives with measurable environmental and social benefits.
- **Accountability:** ADIB's commitment to independent third-party assurance guarantees the accuracy and reliability of impact metrics, reinforcing stakeholder confidence.
- **Alignment:** The issuance directly supports national and international sustainability frameworks, including the UAE Net Zero 2050 Initiative, the Paris Agreement, and the UN Sustainable Development Goals (SDGs).

KEY FACTSHEET: ADIB GREEN SUKUK

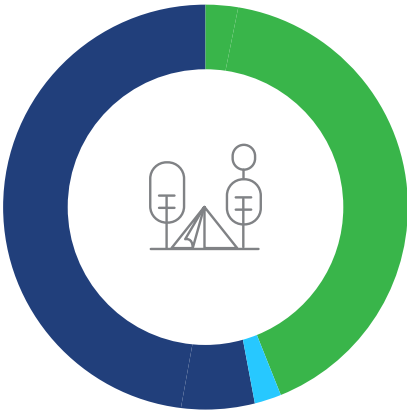
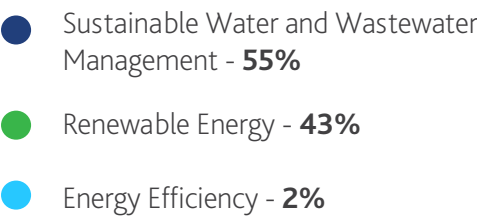


Attribute	Details
Issuance Date	November 15, 2023
Size	USD 500 Million
Tenor	5 Years
Sharia Compliance Framework	Certified by Internal Shari'a Supervisory Committee of ADIB (the ISSC)
ICMA Alignment	Aligned with Green Bond Principles
Eligible Green Projects	Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Treatment



ALLOCATION PER ELIGIBLE CATEGORY

Allocation by Category

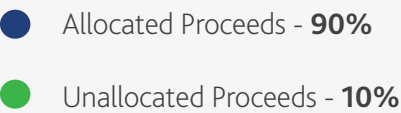
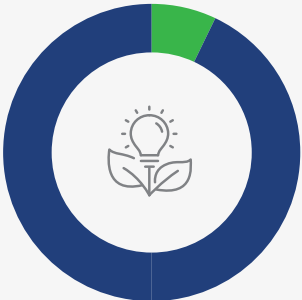


ADIB's green sukuk proceeds are allocated across three eligible project categories, each chosen for its potential to deliver measurable environmental and social benefits. The allocation breakdown demonstrates ADIB's commitment to supporting impactful projects while aligning with the ICMA Green Bond Principles.

Eligible Category	Amount Allocated (USD)	Percentage of Total Proceeds	Examples of Projects
Renewable Energy	\$196 million	43%	Solar farms, wind energy installations
Energy Efficiency	\$9 million	2%	Energy consumption reduction projects, district heating/cooling systems
Sustainable Water and Wastewater Management	\$247 million	55%	Desalination plants, wastewater treatment plants

ALLOCATION OF PROCEEDS

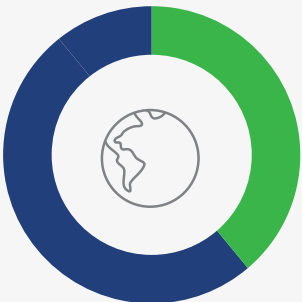
Allocated vs. Unallocated Proceeds



Category	Amount (USD)	Percentage of Proceeds
Allocated Proceeds	\$451 million ^A	90%
Unallocated Proceeds	\$49 million	10%

- Allocated Proceeds:** \$451 million has been directed toward eligible green projects, aligning with ICMA's Use of Proceeds guidelines.
- Unallocated Proceeds:** \$49 million remains temporarily held in cash or cash equivalents and will be fully allocated within 24 months of the issuance date, per ADIB's Green Sukuk Framework.

Geographical Allocation of Proceeds

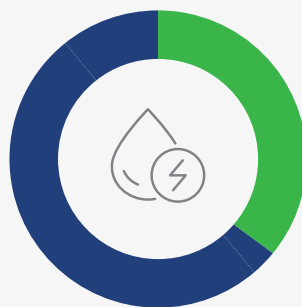


Region	Percentage of Allocated Proceeds	Key Projects
United Arab Emirates	34%	Solar Power Generation, District Cooling
Saudi Arabia	66%	Solar Power Generation, Wastewater Treatment, Water Desalination

(A) KPMG Lower Gulf Limited has provided limited assurance over the item(s) marked with the symbol, specifically relating to the allocation of sustainable proceeds as at 31 December 2024.



Financed vs. Refinanced Projects



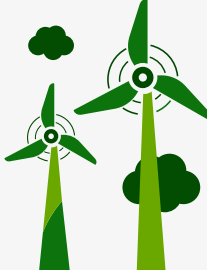


- Refinanced Projects - **68%**
- Financed Projects - **32%**

Category	Amount (USD)	Percentage of Proceeds
Financed Projects	\$146 million	32%
Refinanced Projects	\$305 million	68%

¹ 68% of the portfolio amount has been used to refinance existing green assets

IMPACT REPORTING






Harmonized Framework for Impact Reporting Table

Eligible Project Category	Core Impact Indicators	Reported Impact ²
Renewable Energy 	Renewable energy installed capacity (MW)	2,100 MW
	Annual renewable electricity generation (MWh/year)	448,545 MWh/year
	Annual GHG emissions avoided (tonnes of CO2 equivalent/year)	288,956 tonnes CO2e avoided/year
	Number of home served with renewable energy (homes)	7,887 served homes
Energy Efficiency 	District cooling installed capacity (refrigeration tonnes)	10,000 refrigeration tonnes
	Annual cooling energy generation (MBtu/year)	349,316 MBtu/year
	Annual GHG emissions avoided (tonnes of CO2 equivalent/year)	24,570 tonnes CO2e avoided /year
	Number of homes served with cooling energy (homes)	2,903 served homes
Sustainable Water and Wastewater Management 	Water desalination and wastewater treatment installed capacity (m³/day)	1,640,000 m³/day
	Annual produced potable water and treated wastewater (m³/year)	70,853,856 m³/year
	Annual GHG emissions avoided (tonnes of CO2 equivalent/year)	293,830 tonnes CO2e avoided/year
	Number of homes served with potable water or wastewater treatment (homes)	49,280 served homes

² All reported impact indicators, except for the capacity of the asset, are prorated based on ADIB's share of the total project costs to accurately reflect the bank's contribution to the overall impact.



Eligible green project category	Number of eligible allocated projects	Allocated Portfolio (USD Mn) ³	Share of Total Sukuk Financing ⁴	Signed amount (USD Mn)	Share of signed amount to total portfolio (%)
Renewable Energy	2	196	43%	200	43%
Energy Efficiency	1	9	2%	9	2%
Sustainable water and wastewater management	5	247	55%	256	55%

				
Annual renewable electricity generation (MWh/year)	Annual cooling energy generation (MBtu/year)	Annual produced potable water and treated wastewater (m³/year)	Annual GHG emissions avoided (tonnes CO2e/year)	Number of served homes (homes)
448,545	349,316	70,853,856	607,356	60,070

³ This represents the amount of green bond proceeds that has been allocated for disbursements to the project/portfolio.

⁴ This represents the share of projects' financing out of total issuance.

CO-BENEFITS SUMMARY

Category	Description
Served Population	Over 60,000 homes are served with the output of green projects.
Community Benefits	Improved access to clean water and sanitation for communities.
Economic Impact	Significant cost savings for building owners due to energy-efficient technologies.
Health Benefits	Improved air quality and reduced exposure to pollutants in urban areas.



METHODOLOGY

ADIB adheres to the following methodologies in line with the Harmonized Framework:

- 1. Annual Electricity Generation (MWh/year)** : Annual electricity generation in megawatt hours is estimated using the output capacity of green projects. Annual electricity generation is based on the Power Potential in countries where the green project is located, using data from the Global Solar Atlas by The World Bank. The calculation of electricity generation includes the Solar PV Power Potential in Saudi Arabia (5.159 KWh/KWp/day) and United Arab Emirates (5.004 KWh/KWp/day).
- 2. Avoided GHG Emissions (TCO2e/year)** : Avoided GHG emissions are estimated using the annual project generation. Avoided GHG emissions are based on CO2 emissions for fossil fuel projects in countries where the green project is located, using The Climate Registry (TCR) emissions data. The calculation of avoided GHG emissions includes the emissions factor in Saudi Arabia (754 gCO2/ KWh), and United Arab Emirates (600 gCO2/ KWh).
- 3. Population Served (Homes)**: Population Served / Number of homes served by the green projects is estimated using the annual project generation. Number of homes served is based on the average household size and the per capita electricity/ water consumption in countries where the green project is located, using data from The World Bank and ArcGIS by the Environmental Systems Research Institute (ESRI). The calculation of households served include the average household size in Saudi Arabia (5.6 people per household), and United Arab Emirates (5.3 people per household). In addition to the per capita electricity consumption in Saudi Arabia (9.401 MWh) and United Arab Emirates (11.088 MWh), and the per capita water consumption in Saudi Arabia (746.6 m3/year) and United Arab Emirates (503.65 m3/year).



CASE STUDIES

Case Study 1: Shuaa Energy 3 (DEWA V) – Powering a Sustainable Future



Project Overview

Case Study: Shuaa Energy 4 (DEWA VI) – Expanding Dubai's Clean Energy Future

Project Overview

The **Shuaa Energy 4 (DEWA VI) project** is the **sixth phase** of the **Mohammed bin Rashid Al Maktoum Solar Park**, the world's largest single-site solar energy project. Developed by **Dubai Electricity and Water Authority (DEWA)** in partnership with **Abu Dhabi Future Energy Company (Masdar)** under the **Independent Power Producer (IPP)** model, this phase will add **1,800 MW** of new **solar photovoltaic (PV) capacity** by 2026, increasing the park's total production capacity to **4,660 MW**.

This major milestone supports **Dubai's Clean Energy Strategy 2050** and **Net Zero Carbon Emissions Strategy 2050**, further positioning the UAE as a global leader in renewable energy.

ADIB, as part of the financing consortium, played a vital role in mobilizing capital for this landmark project, aligning with **ICMA Green Bond Principles** and ADIB's **Sustainable Finance Framework**.



Project Details

- Location: Dubai, UAE
- Technology: Bifacial Solar Photovoltaic (PV) Modules with Single-Axis Tracking Technology
- Installed Capacity: 1,800 MW
- Total Investment: AED 5.5 billion (USD 1.5 billion)
- Project Developer: Shuaa Energy 4, a joint venture between DEWA (60%) and Masdar (40%)
- Project Area: 20 square kilometers
- Expected Completion: 2026
- Beneficiaries: Approx. 540,000 residences powered with clean energy

Environmental Impact

- GHG Emissions Avoided: Approx. 2.36 million tonnes of CO₂ annually.
- Renewable Energy Contribution: Supports Dubai's goal to source 100% of its electricity from clean energy by 2050.
- Lowest Levelized Cost of Energy (LCOE): Achieved a record-low tariff of USD 1.6215 cents per kilowatt-hour (kWh), making it one of the most cost-effective solar energy projects globally.

Social and Economic Impact

- Job Creation: Thousands of employment opportunities generated in construction, operations, and maintenance.
- Economic Growth: Strengthens Dubai's renewable energy supply chain and attracts global investments into the UAE's clean energy sector.
- Community Development: Expands access to affordable, reliable clean energy while reducing dependence on fossil fuels.

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Case Study 2: Transforming Water Management in Saudi Arabia – Madinah, Tabuk, and Buraydah SWTPs



Project Overview

ADIB has played a pivotal role in financing three state-of-the-art sewage treatment plants (SWTPs) in Saudi Arabia: **Madinah, Tabuk, and Buraydah SWTPs**. These critical infrastructure projects address water scarcity challenges, promote sustainable water management, and support regional economic and community development. Collectively, these projects demonstrate ADIB’s commitment to advancing resource efficiency, environmental stewardship, and social well-being in alignment with its Sustainable Finance Framework.

Plant	Location	Capacity (Cubic Meters/Day)	Beneficiaries
Madinah SWTP	Madinah, Saudi Arabia	200,000	1.5 million residents
Tabuk SWTP	Tabuk, Saudi Arabia	90,000	500,000 residents
Buraydah SWTP	Buraydah, Qassim Region	150,000	1.1 million residents

Environmental Impact

- Water Recycled Annually: Approximately 160.6 million cubic meters.
- GHG Emissions Avoided: Significant reductions in emissions compared to traditional water supply methods.
- Reduced Wastewater Discharge: Mitigating the environmental impact of untreated sewage in these regions.

Social and Economic Impact

- Job Creation: Hundreds of employment opportunities were generated during the construction and operation phases.
- Community Benefits: Enhanced access to treated water for industrial, agricultural, and residential use, improving overall quality of life.
- Regional Development: Strengthened infrastructure to support industrial and agricultural activities, fostering economic growth.





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Independent Practitioner's Limited Assurance Report

Independent Practitioner's Limited Assurance Report to the Board of Directors of Abu Dhabi Islamic Bank Public Joint Stock Company over the Subject Matter Information

Conclusion

We have performed a limited assurance engagement on whether Abu Dhabi Islamic Bank Public Joint Stock Company's ("ADIB") Subject Matter Information ("SMI") detailed below as at 31 December 2024, has been prepared in accordance with the ADIB's Sustainable Finance Framework, November 2023 (the "Applicable Criteria") as set out below.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the ADIB's SMI, as at 31 December 2024 is not prepared, in all material respects, in accordance with the Applicable Criteria.

Basis for conclusion

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB)*. Our responsibilities under this standard are further described in the Our responsibilities section of our report. We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA). Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB*. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Subject Matter Information ("SMI")

Subject Matter Information ("SMI") for our limited assurance engagement is presented on page 22 of the "ADIB Sustainable Finance Allocation and Impact Report" (the "Allocation Report") and is available at <https://www.adib.com/en/pages/policies-statements-and-disclosures.aspx>. It is identified by the symbol (A) and indicates that USD 451 million of the proceeds from Sustainable Sukuk were allocated to Eligible Green and Social Asset Portfolio as at 31 December 2024.

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Abu Dhabi Islamic Bank Public Joint Stock Company
Independent Practitioner's Limited Assurance Report
31 December 2024

Applicable Criteria

The Applicable Criteria for this limited assurance engagement is outlined in ADIB Sustainable Finance Framework, November 2023 (the "Framework") and is available at <https://www.adib.com/en/siteassets/sustainability/sustainable-finance-framework.pdf>.

Other Information

Management is responsible for the other information. The other information comprises of all the information in the Allocation Report, other than the Subject Matter Information and our assurance report ("other information"). Our assurance conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. We have not performed any procedures with respect to the Other Information.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than ADIB, for any purpose or in any other context. Any party other than ADIB, who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than ADIB for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report has been prepared for ADIB solely in accordance with the terms of our engagement. We have consented to the publication of our report on <https://www.adib.com/en/pages/policies-statements-and-disclosures.aspx> for the purpose of ADIB showing that it has obtained an independent limited assurance report in connection with the SMI.

Our conclusion is not modified in respect of this matter.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the Use of Proceeds ("Proceeds") mentioned in the Allocation Report may occur and may not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Proceeds, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis. Our work does not involve testing the operating effectiveness of controls over the underlying data, nor have we sought to review systems and controls beyond those relevant to the Proceeds.

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

The Applicable Criteria and the definition of Green and/or Social Projects ("GSP") categories has been developed to assist ADIB in determining the allocation of the proceeds from the Sustainable Sukuk Bonds. As a result, the SMI may not be suitable for another purpose. Our work is limited to assessing whether the net proceeds have been allocated to projects that meet the definition of GSPs as per ADIB's Sustainable Finance Framework November 2023.

For the purposes of this limited assurance engagement, we have not performed any procedures to assess, and so we provide no assurance over:

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Inherent limitations (continued)

- the appropriateness of the eligibility criteria which leads to the projects being classified as GSPs;
- whether the GSPs were only undertaken as a consequence of obtaining the Sustainable Financing Instruments nor whether ADIB did not also use other cash flows to invest in other projects that would not qualify as GSPs; and
- Audit, review or verification of the SMI nor of the underlying records or other sources from which the SMI was extracted. Moreover, we assume correctness of third-party information, where applicable, as well as publicly disclosed information to reach our conclusion.

Our engagement is planned and performed to obtain limited assurance, but not absolute assurance, about whether the SMI is free of material misstatement, whether caused by fraud or error. We will not perform any procedures by way of audit, review or verification of the SMI, nor of the underlying records or other sources from which the SMI will be extracted. Accordingly, we will not express such an opinion.

Management's responsibility

Management is responsible for:

- selection or development of suitable Applicable Criteria with respect to its relevance, completeness, reliability, neutrality and understandability, and appropriately referring to or describing the Applicable Criteria used;
- design, implementation and maintenance of internal control relevant to the preparation of the SMI that are free from material misstatement, whether due to fraud or error;
- preparation and presentation of the SMI in accordance with the Applicable Criteria;
- prevention and detection of fraud and for identifying and ensuring that ADIB complies with laws and regulations applicable to its activities;
- ensuring that the staff involved with the preparation of the Applicable Criteria and the SMI are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units; and
- evaluating compliance of the SMI against any required targets is the responsibility of management of ADIB.

Those charged with governance are responsible for overseeing the reporting process for the entity's SMI.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained and;
- Reporting our conclusion to the Board of Directors of ADIB.



Our responsibilities (continued)

Summary of the work we performed

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. The procedures performed included:

- Obtaining an understanding of the Applicable Criteria used by ADIB in preparing the SMI;
- Obtaining an understanding of ADIB's processes and controls around management of proceeds, identification, tracking and reporting of eligible projects against the Applicable Criteria;
- Inspecting the minutes/presentation, where applicable, of the ADIB's Management Sustainability Committee and the Sustainability Committee Board to confirm that the eligible projects, allocation of proceeds from Sustainable Sukuk and process adopted by ADIB around the Report preparation had been approved;
- Performing the following procedures over the SMI, which will include:
 - comparing the total funds received by ADIB from the Sustainable Sukuk with those spent on the allocated projects;
 - obtaining an understanding of the information sources used by ADIB to determine the amount of proceeds allocated (in USD) to eligible projects;
 - on the selected samples, performing testing to source documentation to verify the financing provided by ADIB to eligible projects and inspecting that the selected projects meet the eligibility criteria as per the Applicable Criteria
 - inspecting that the funds were allocated within the designated period as per the Applicable Criteria; and
 - inspecting the mathematical accuracy of the formulae used / manual calculations performed over the SMI, if any.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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KPMG Lower Gulf Limited
Abu Dhabi, United Arab Emirates

Date: 01 MAY 2025